

SENATE BILL 2100
By Norris

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 10, relative to tobacco taxes. This act makes appropriations in an amount not to exceed thirty million dollars (\$30,000,000) for fiscal year 2005-2006 to replace the 2004 Phase II Tobacco Master Settlement Agreement payments to have been made to tobacco farmers and quota holders.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-1004(a), is amended by deleting the language "ten (10) mills on each cigarette" and by substituting instead the language "twelve and one-half (12.5) mills on each cigarette".

SECTION 2.

(a) Notwithstanding any provision of law to the contrary, any revenues generated from the increase in the tax levied in § 67-4-1004(a) from ten (10) mills to twelve and one-half (12.5) mills shall be deposited into a special account within the general fund to be used exclusively to make individual payments to tobacco farmers and quota holders in amounts substantially equal to the amounts that such tobacco farmers and quota holders would have received in Phase II payments for 2004 pursuant to the Tobacco Master Settlement Agreement.

(b) Funds in such special account shall be appropriated and allocated by the General Appropriations Act. Any revenues deposited in such special account shall remain in the account until expended for purposes consistent with this act, and shall not revert to the general fund on any June 30. Any excess revenues shall not revert on any June 30, but shall remain available for appropriation in subsequent fiscal years. Any

appropriation from such special account shall not revert to the general fund on any June 30, but shall remain available for expenditure in subsequent fiscal years.

(c) Notwithstanding the provisions of subsection (b), if revenues in such special account at any time exceed thirty million dollars (\$30,000,000), all such revenues in excess of thirty million dollars (\$30,000,000) shall be transferred to the general fund.

SECTION 3. The increase in the cigarette tax levied by this act shall expire on July 1, 2006, and on and after such date the tax rate in § 67-4-1004(a) shall be ten (10) mills on each cigarette.

SECTION 4. This act shall take effect July 1, 2005, the public welfare requiring it.